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✓ Latest release

Labour hire workers

The number and characteristics of labour hire workers, drawn from different ABS sources providing complementary insights into labour hire work.

Reference period June 2022

Released 6/12/2022

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Key statistics

- In June 2022, 319,900 people had a job in Labour supply services, and for 266,200 (83%) it was their main job.
- 2.3% of all employed people had a job in Labour supply services in June 2022.
- 81% of labour hire workers worked full-time (August 2022).
- 84% of labour hire workers did not have paid leave entitlements, and 18% would prefer

to work more hours (August 2022).

- In 2019-20, 61% of people in Labour supply services were men, and 27% were Labourers.

This release was updated on 16 December 2022 to reflect data from the August 2022 [Characteristics of Employment \(/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2022\)](/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2022) (which was released on 14 December 2022). This includes updates to the data on country of birth, hours worked and underemployment, and casual work and job stability. Table 3 in the Data Downloads section was also updated with August 2022 data.

Labour hire workers and the Labour supply services industry

Labour hire work is characterised by a third-party arrangement, where there is:

- an employment relationship between an individual employee and a labour hire firm, and
- a commercial arrangement between the labour hire firm and another business for the supply of the individual employee's labour, for a fee.

The labour hire firm then pays the individual employee (the labour hire worker) their wage or salary. Labour hire workers are employees of a labour hire firm, rather than the firm that they are providing their labour to.

The multi-party nature of labour hire work makes it one of the more challenging arrangements to produce statistics on, compared with the more common employer-employee relationships and self-employment.

Businesses that provide labour hire services, and their employees, are classified to the [ANZSIC 4-digit industry class \(/statistics/classifications/australian-and-new-zealand-standard-industrial-classification-anzsic/2006-revision-2-0/detailed-classification/n/72/721/7212\)](/statistics/classifications/australian-and-new-zealand-standard-industrial-classification-anzsic/2006-revision-2-0/detailed-classification/n/72/721/7212) of 'Labour supply services' (ANZSIC 7212). Labour within businesses in this industry is different to most businesses, given the main activity is the provision of labour as a service to other businesses, rather than the use of labour within the business to produce goods and/or services.

While labour hire workers are employed in the labour supply services industry, not all people working in Labour supply services are labour hire workers. This is because there are a small number of 'direct' employees of the labour hire firms that

are also included within Labour supply services (e.g. administrative, managerial and support staff who work within the business itself, rather than provide contracted labour services through a third-party arrangement). This small number of direct employees in the industry cannot be separately identified in any available data, so are included within the estimates of labour hire workers in this release.

Sources of labour hire data

There are three ABS data sources that provide complementary information relevant to understanding labour hire work:

- [Labour Account Australia \(/statistics/labour/labour-accounts/labour-account-australia/latest-release\)](/statistics/labour/labour-accounts/labour-account-australia/latest-release) – the [best ABS source of overall industry employment and jobs levels \(/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide\)](/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide).
- [Jobs in Australia \(/statistics/labour/jobs/jobs-australia/latest-release\)](/statistics/labour/jobs/jobs-australia/latest-release) (JIA) – estimates of the number and selected characteristics of people employed by businesses in the labour supply services industry (ANZSIC 7212) based on personal income tax data available from the Linked Employer-Employee Dataset (LEED).
- [Characteristics of Employment \(/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2020\)](/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2020) (COE) survey – collects information from Labour Force Survey respondents on aspects of labour hire work as a working arrangement, and a range of information on people's other working arrangements and socio-demographic and employment characteristics.

Each of these sources has relative strengths and limitations, and no one source can provide all insights about labour hire work. For instance:

- Standard Labour Account outputs are only available at the industry division (1-digit) level on a quarterly basis, and the sub-division (2-digit) level on an annual basis.
- JIA has detailed industry estimates, but the latest available data are generally lagged by about 2 years due to the time for taxation data to be finalised. It also has limited information on working arrangements, and socio-demographic and employment characteristics.
- COE has limitations around collecting information about potentially complex employment and payment arrangements from individuals in a household survey. As with the Labour Force Survey, this is also reflected in how well household survey respondents interpret questions around the industry they are employed in, compared to where their work activity occurs, which particularly affects the Administrative and support services industry and the Labour supply services industry. See the [Industry employment guide \(/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide\)](/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide) for more information.

During 2022, the ABS undertook detailed analysis of these three data sources, to better understand differences between the industry insights from the Labour Account and JIA, and the number of people reporting they were employed under labour hire arrangements in their main job in COE.

Producing estimates of the prevalence of labour hire work within the Labour Account

The Labour Account provides an established framework for reconciling multiple data sources to produce high quality aggregate estimates.

Given the relative strengths and limitations of each of the sources, the complexity of labour hire working arrangements, and the need to provide a definitive estimate of the prevalence of labour hire work, this release includes Labour Account estimates of the number of people employed in the Labour supply services industry (i.e. the 4-digit ANZSIC 7212).

This approach provides the most robust and contemporary ABS estimate of the Labour supply services industry, as it:

- draws on the strengths of the Labour Account industry data, where high-level industry estimates are derived through balancing information obtained from businesses and household surveys
- uses Labour Account 2-digit 'Administrative services' data as a robust high-level benchmark to estimate the 4-digit Labour supply services series
- makes use of data from Jobs in Australia, which is a standard input in the Labour Account compilation process. This includes using the Jobs in Australia data to produce point-in-time estimates rather than through-the-entire-year annual measures (the latter of which for the Labour supply services industry is generally around double the former)
- provides up-to-date estimates of Labour supply services, without the 2-year time lag of Jobs in Australia, which is reliant on the timing of personal income tax lodgements
- avoids the undercount associated with collecting labour hire information in a household survey (if limited to those reporting they were paid by a labour hire firm) or overcount (if only registration with, or finding job through a labour hire firm is considered, without regard to payment)

The method used to model these Labour Account-based Labour supply services estimates is described in the [Methodology page \(/methodologies/labour-hire-workers/jun-2022\)](/methodologies/labour-hire-workers/jun-2022).

Characteristics of labour hire workers

While neither Jobs in Australia or Characteristics of Employment are used for the headline estimates of the number of labour hire workers (people employed in labour supply services), these sources do provide useful information to better understand the socio-demographic characteristics and employment circumstances of labour hire workers.

These characteristics provide important context to the Labour Account-based modelled estimates of overall employment in labour supply services. The compositional breakdowns of key characteristics are sourced from the tax-data based Jobs in Australia (such as sex, age, occupation, and earnings), supplemented by other characteristics that are only available from the household survey-based Characteristics of Employment survey (such as hours worked, country of birth, casual status, and job stability).

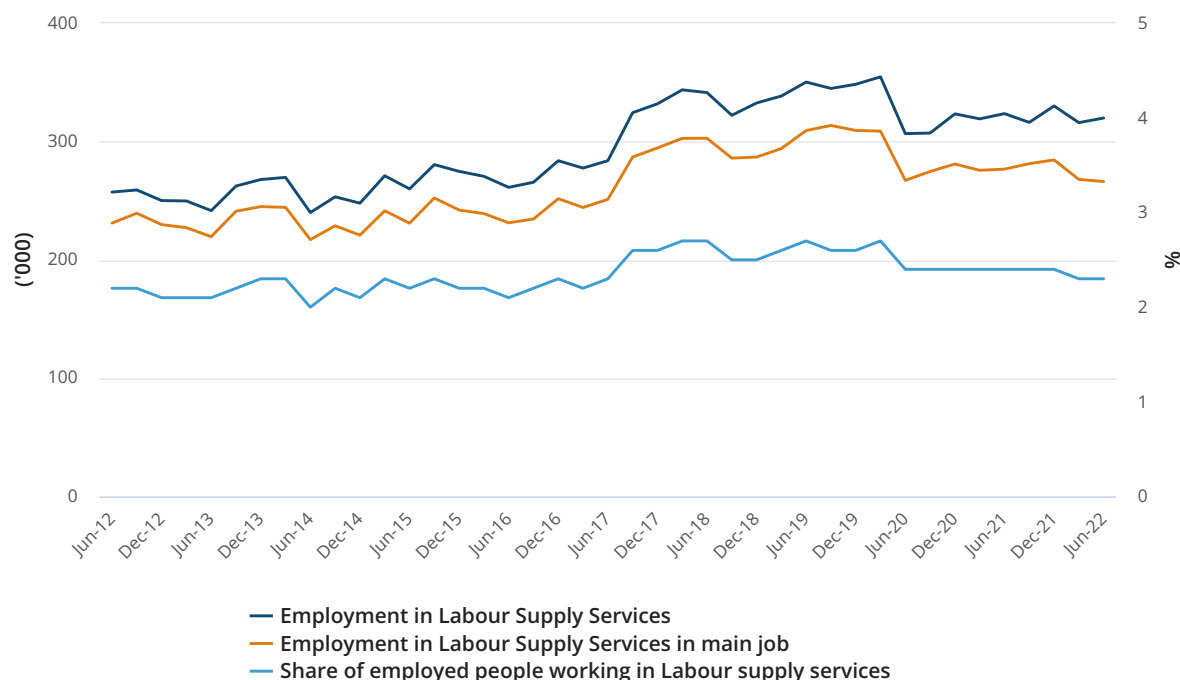
People working in Labour supply services

In June 2022, there were 319,900 people employed in the Labour supply services industry. This represented 2.3% of all employed people. Of these people, 266,200 worked in Labour supply services in their main job. There were 330,700 filled jobs in Labour supply services (that is, 266,200 main jobs and 64,500 secondary jobs).

Employment in Labour supply services increased from 257,300 in June 2012 to 354,700 in March 2020. In line with overall employment, there was a large decrease in the June 2020 in the early stages of the COVID-19 pandemic. Employment in Labour supply services has not recovered to its pre-pandemic peak.

Over the past ten years the industry has accounted for between 2.0% and 2.7% of total employment.

Labour supply services (Original)



Source: [Labour Account Australia \(/statistics/labour/labour-accounts/labour-account-australia/jun-2022\)](https://statistics/labour/labour-accounts/labour-account-australia/jun-2022), unpublished data.

People who found their job through a labour hire firm

The Characteristics of Employment (COE) survey collects characteristics related to labour hire work (work in Labour supply services). These include:

- employees who were registered with a labour hire firm (for people who are currently employed)
- employees who found their current job through a labour hire firm
- employees who found their current job through a labour hire firms, and were paid by the labour hire firm (defined as a 'labour hire worker' in COE)

COE data shows that in August 2020, there were 584,000 employees who reported finding their current main job through a labour hire firm or employment agency. Of these:

- 21% were paid by the labour hire firm (in their main job)
- 79% were not paid by the labour hire firm or employment agency (in their main job)
 - these people were placed into a job at another employer and are now an employee of that employer

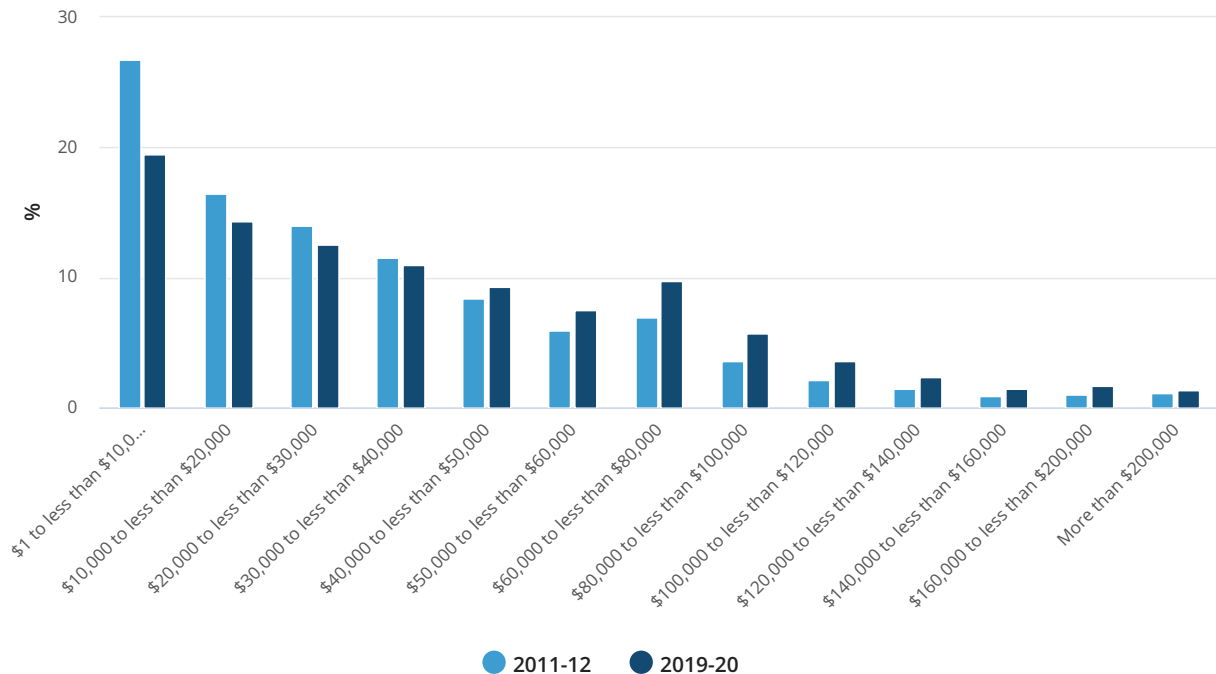
Almost 340,000 employees were registered with a labour hire firm in August 2020.

Earnings

Data from Jobs in Australia shows the annual earnings (in main job) of people in Labour supply services (in their main job). In 2019-20, the median annual earnings (in main job) of people employed in Labour supply services was \$33,100. Almost 20% of people employed in Labour supply services earned less than \$10,000 in 2019-20, while almost 10% earned between \$60,000 and \$80,000. The large number of people with relatively low annual earnings reflects the often short-term nature of labour hire work.

In comparison to 2011-12 (the first year currently available in the LEED dataset), in 2019-20 there was a lower proportion of people in the lower annual earnings categories, and a higher proportion in the higher earnings categories (\$50,000 and above).

Labour supply services, annual earnings (Original)



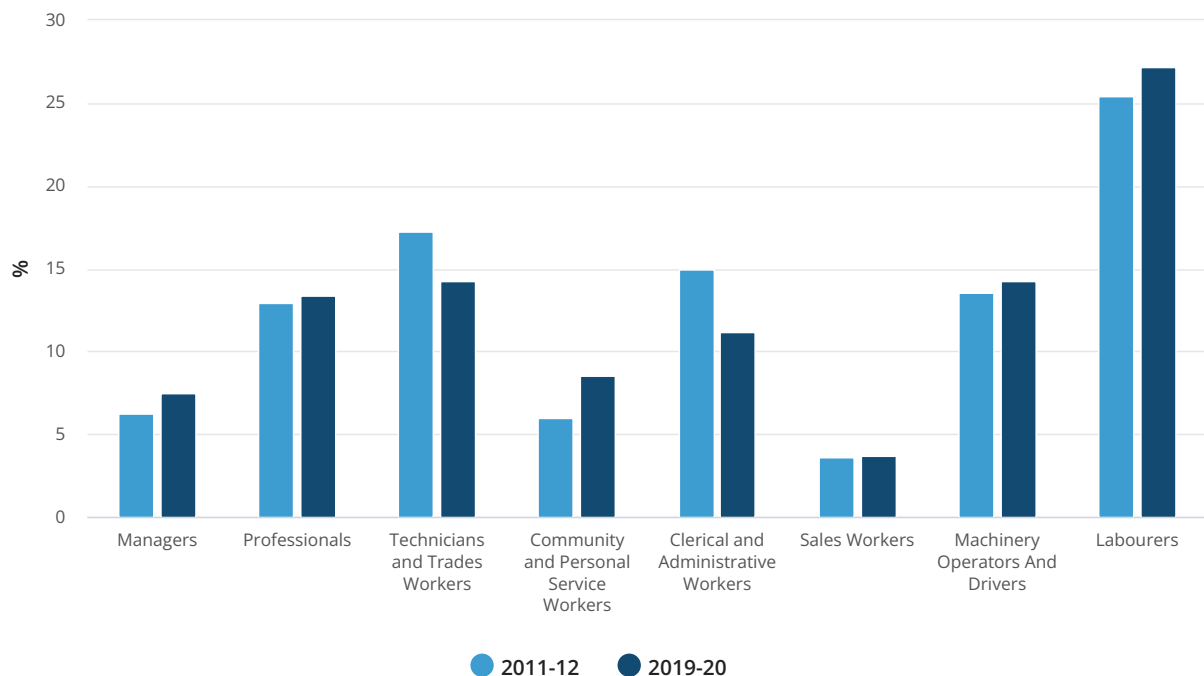
Source: [Jobs in Australia \(/statistics/labour/jobs/jobs-australia/latest-release\)](https://statistics/labour/jobs/jobs-australia/latest-release).

The Jobs in Australia data above shows earnings received from job(s) in Labour supply services over the entire financial year. This is useful to look at the outcomes of people across a longer time period, including accounting for periods in and out of work. Data from Characteristics of Employment shows the average weekly earnings of people in a labour hire job at a point in time. In August 2020, median weekly earnings of labour hire workers were \$1,195 compared with \$1,150 for all employees.

Occupation

Data from Jobs in Australia shows an occupational breakdown of people working in Labour supply services, across the eight major occupation groups. In 2019-20, over a quarter (27%) of employees in Labour supply services were Labourers. Sales workers (3.7%) and Managers (7.5%) were the least common occupation groups.

Labour supply services, by Occupation of main job(a) (Original)



(a) Excludes people where occupation was inadequately described.

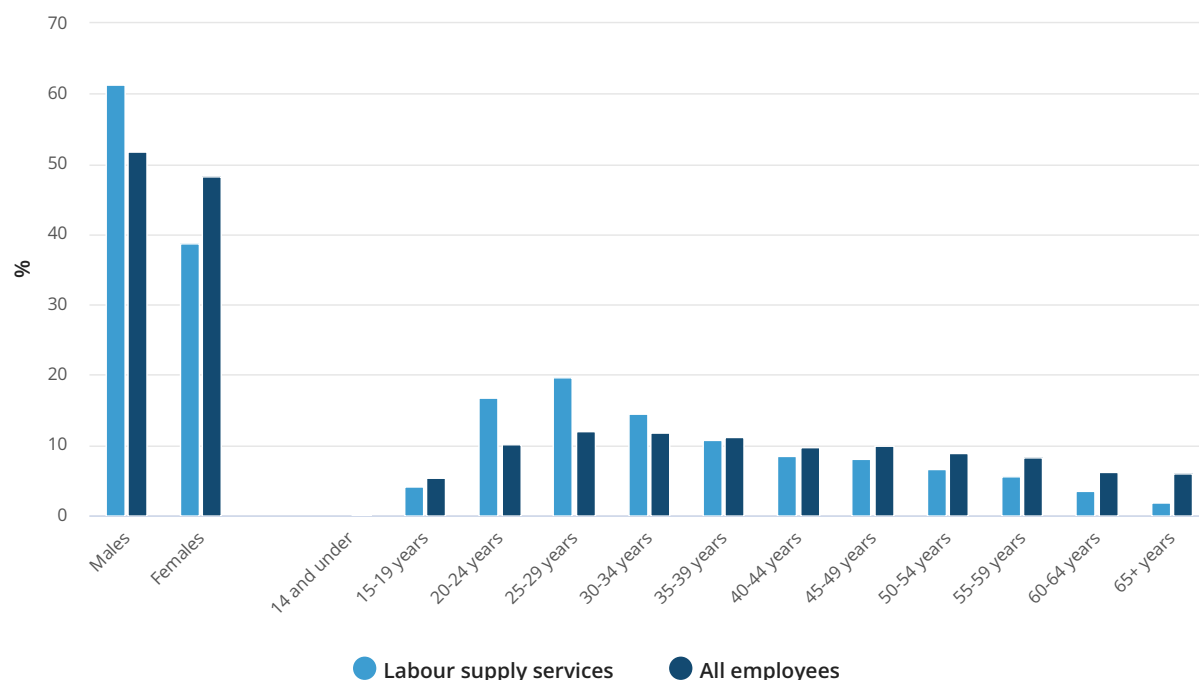
Source: [Jobs in Australia \(/statistics/labour/jobs/jobs-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/jobs/jobs-australia/latest-release).

Sex and age

Data from Jobs in Australia shows that employment in Labour supply services is more prevalent among men than women, with men accounting for 61% of people working in Labour supply services in 2019-20.

Across age groups, people aged 25-29 and 20-24 were more likely to work in Labour supply services than those in other age groups. Around 20% of people in labour supply services were 25-29 years old and around 17% were 20-24 years old. In contrast, only 12% of all employed people were aged 25-29 years and 10% aged 20-24 years.

Labour supply services, by Sex and Age, 2019-20 (Original)



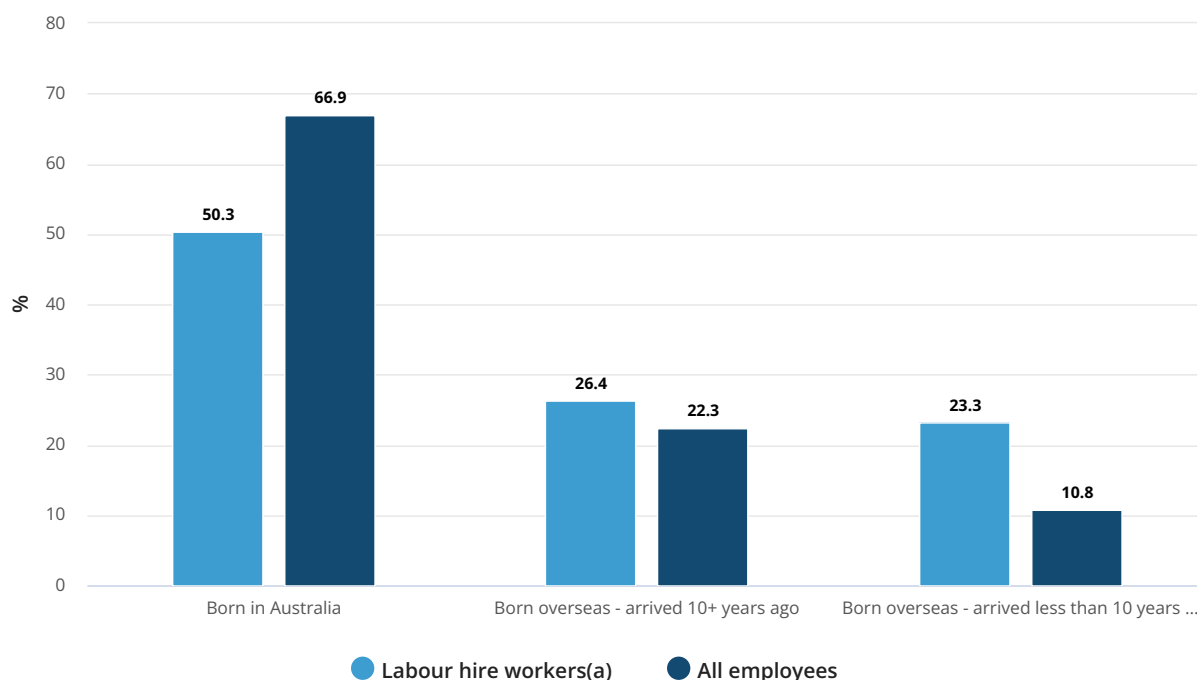
Source: [Jobs in Australia \(/statistics/labour/jobs/jobs-australia/latest-release\)](https://statistics/labour/jobs/jobs-australia/latest-release).

Country of birth

The COE survey collects information on people's country of birth, and for those who were born overseas, when they arrived in Australia. Over half of all labour hire workers were born in Australia, however people born overseas were more likely to be a labour hire worker than people born in Australia. Recent migrants to Australia were more likely to be a labour hire worker than those who arrived at least 10 years ago.

In August 2022, over 23% of labour hire workers were born overseas and arrived in Australia less than 10 years ago. At this time, recent migrants accounted for around 10% of all employees within the labour market.

Labour hire workers(a), by Country of Birth, August 2022 (Original)



(a) in main job.

Source: [Characteristics of Employment \(/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2020\)](https://statistics.labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2020).

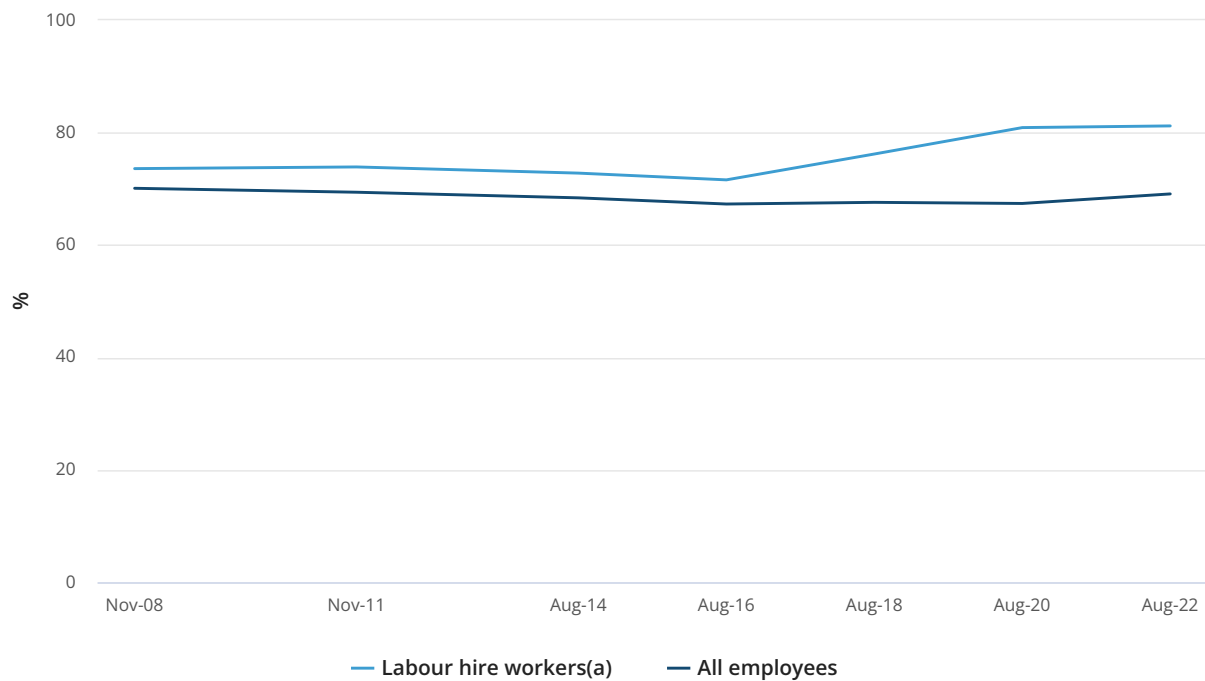
Hours worked and underemployment

Data from the COE survey provides information on the hours of labour hire workers. Between 2008 and 2016, full-time work declined gradually for both labour hire workers and all employees.

After 2016, the overall share of employees working full-time has continued its gradual decline, however the prevalence of full-time work amongst labour hire workers increased from 72% in August 2016 to 81% in August 2022.

In August 2022, the average hours usually worked by labour hire workers was 38 hours a week, compared with 35 hours a week for all employees.

Full-time workers (Original)



(a) in main job.

Source: [Characteristics of Employment \(/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2020\)](#).

Labour hire workers are also more likely than other employees to be underemployed. In August 2022, 18% of labour hire workers preferred to work more hours, compared with 10% of all employees. The proportion of labour hire workers who would prefer to work more hours has halved since 2008 but remained higher than all employees in August 2022.

Preferred to work more hours (Original)



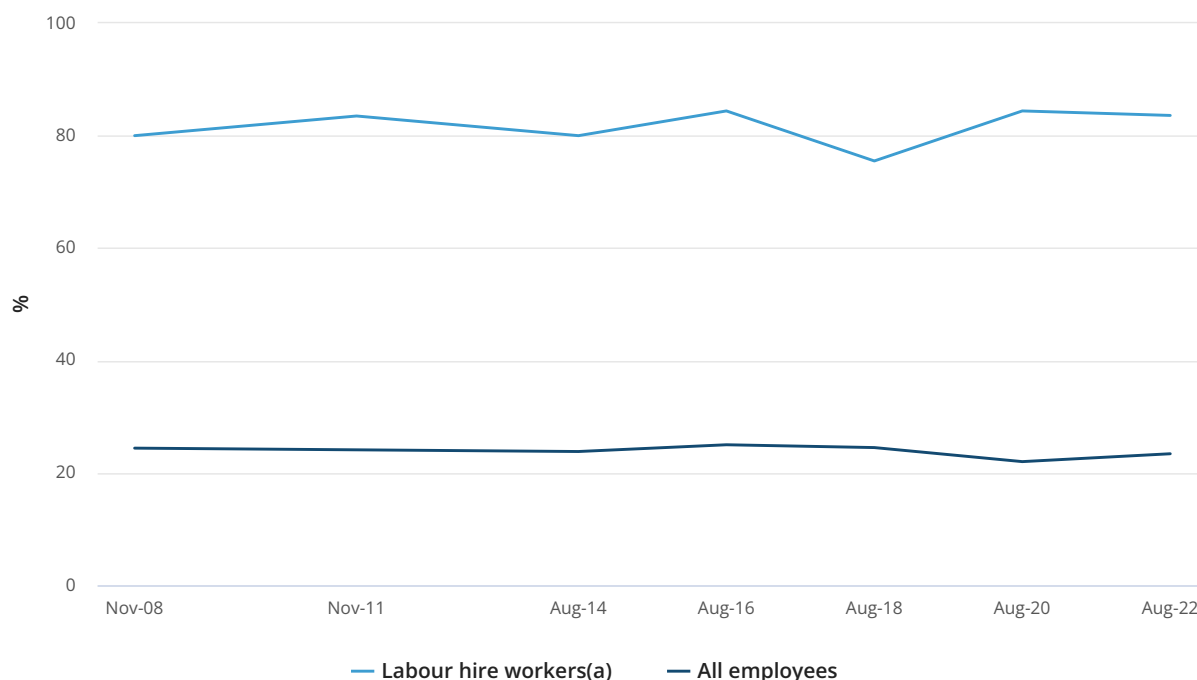
(a) in main job.

Source: [Characteristics of Employment \(/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2020\)](#).

Casual work and job stability

There are various indicators of casual employment collected in the COE survey. The most common indicator of casual employment is the absence of paid (sick and/or holiday) leave entitlements. In August 2022, 84% of labour hire workers did not have paid leave entitlements. By comparison, only 23% of all employees did not have paid leave entitlements.

Employees without paid leave entitlements(a) (Original)



(a) in main job.

Source: [Characteristics of Employment \(/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2020\)](#).

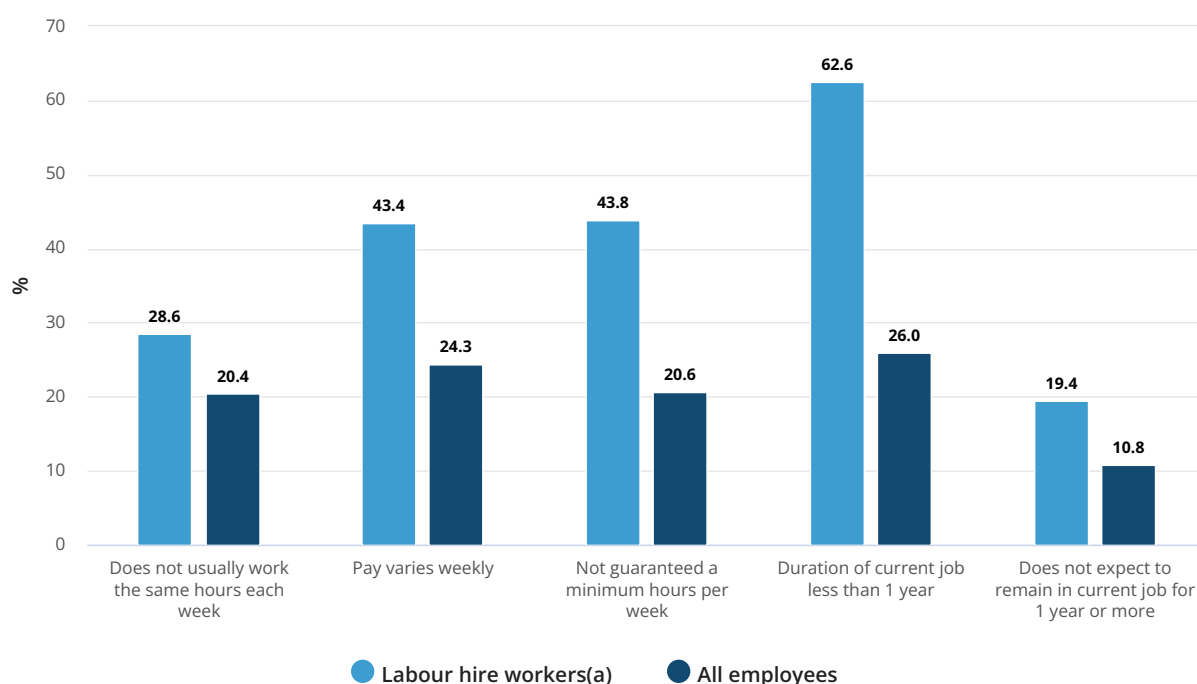
COE also identifies whether an employee perceives that they are employed as a 'casual'. This can provide a useful alternate view of casual employment, as there may be (usually highly paid) labour hire workers whose remuneration package does not include paid leave entitlements, but they do not have the other hallmarks of casual employment (such as a lack of certainty of tenure or variable hours). In August 2022, 72% of labour hire workers identified as a casual, which was lower than the 84% who did not have paid leave entitlements.

In addition to the large differences in casual employment between labour hire workers and all employees, labour hire workers also tend to have shorter job tenure than other employees. In August 2022, 63% of labour hire workers had been in their current job for less than a year, and 19% did not expect to be in their current job in a year. This compared with

26% and 11% for all employees.

Labour hire workers are also more likely to have variable pay (43% compared with 24% for all employees) and variable hours (29% compared with 20%). They are also more likely to not have a guaranteed minimum number of hours each week (44% compared with 21%).

Indicators of job stability(a), August 2022 (Original)



(a) in main job.

Source: [Characteristics of Employment \(/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2020\)](https://statistics.labour/earnings-and-working-conditions/characteristics-employment-australia/aug-2020).

Data downloads

Table 1: People employed in Labour supply services, Sep 1994 - Jun 2022 (Labour Account)

Estimates of all people employed in Labour supply services, people employed in Labour supply services in their main job, all employed, and all jobs worked in Labour Supply Services. Sourced from the Labour Account.

[!\[\]\(a3ea015cc5581cad732d1eb81613fe7b_img.jpg\) Download XLSX](#)

[59.64 KB]

Data from Jobs in Australia and Characteristics of Employment on the characteristics of labour hire/labour supply service workers are used to provide context to the overall Labour Account-based level estimates. While table 2 and 3 do include level estimates of these characteristics from Jobs in Australia and Characteristics of Employment, these levels are included to enable further calculations.

Additional socio-demographic and employment characteristics available in both sources are also included (e.g. occupation), to enable further analysis of each data source.

Table 2: Selected characteristics of people employed in Labour Supply Services, 2011-12 - 2019-20 (JIA/LEED)

People employed in Labour supply services by sex, age, occupation, earnings, status of employment, multiple job holder status, number of jobs held and number of concurrent jobs. Sourced from Jobs in Australia (LEED).

[!\[\]\(e3f8612927870f2e0f9f5989e6dd3064_img.jpg\) Download XLSX](#)

[57.81 KB]

Table 3: Selected characteristics of labour hire workers, Aug 1998 - Aug 2022 (COE)

Estimates of employees who were registered with a labour hire firm, employees who found job through a labour hire firm, and employees who were paid by a labour hire firms, and characteristics of these employees including sex, age, full-time/part-time status, paid leave entitlements, indicators of job stability, occupation, country of birth, job duration, educational qualifications and earnings. Sourced from Characteristics of Employment (COE).

[!\[\]\(cf531ed27e91483460120fcc057b3901_img.jpg\) Download XLSX](#)

[13.46 MB]

More detailed labour hire data is available in TableBuilder (or as microdata in ABS datalab) from both [Jobs in Australia \(/statistics/microdata-tablebuilder/available-microdata-tablebuilder/jobs-australia\)](#) and [Characteristics of Employment \(/statistics/microdata-tablebuilder/available-microdata-tablebuilder/characteristics-employment-australia\)](#).

Post-release changes

16/12/2022 - This release was updated on 16 December 2022 to reflect data from the August 2022 Characteristics of Employment (which was released on 14 December 2022).

Methodology

[Labour hire workers, June 2022](#)